

### **Description of Filing**

In the Hearing Officer's February 21, 2003, notice, Verizon Massachusetts ("Verizon MA") is directed to update the unbundled network element ("UNE") rates for Public Access Line ("PAL") and Public Access Smart-pay Line ("PASL") services consistent with the Department's orders in D.T.E. 01-20 (TELRIC Investigation) and D.T.E. 01-31 (Alternative Regulation). The following rates and supporting workpapers demonstrate how the UNE rates contained in Verizon MA's February 13, 2003, filing in D.T.E. 01-20, Phase I, were applied to update the Company's June 5, 2002, filing in D.T.E. 01-31 and derive new TELRIC-based PAL and PASL rates for payphone service providers ("PSP").

Specifically, Verizon MA updates Tab B, Attachment IV of its June 5, 2002, compliance filing in D.T.E. 01-31 to reflect new UNE rates from its February 13, 2003, compliance filing in D.T.E. 01-20, Phase I. Column B of the attachment reflects the updated "wholesale charges" that would apply to telecommunications carriers under sections 251 and 252 of the Telecommunications Act of 1996 (the "Act"), consisting of UNE rates for 2-wire analog loops, 2-wire Public Access Line and Coin Access Line switching ports, and composite UNE and termination charges for local and toll usage. Updated TELRIC-based rates for Operator Services and Directory Assistance Access were not required by the Department's Orders in D.T.E. 01-20 because they are not subject to Section 251 and 252 requirements under the Act. Therefore, Verizon MA has not included updated Directory Assistance and Operator Services costs in this filing.

### **Dial Tone Lines**

Telecommunications carriers may purchase a combination of Loop and End-Office Switching Port UNEs as the wholesale elements used to provide Dial Tone Lines for payphone services. For PALs and PASLs, Unbundled 2-Wire Analog loops may be combined with Unbundled PAL Ports to provide each type of line, except for PASL Basic Coin Access Lines (“BCALs”). For BCALs, Unbundled 2-Wire Analog loops may be combined with Unbundled Coin Ports to provide that type of dial tone line. The Unbundled Loop reflects the weighted average TELRIC rate of \$15.55 based on the density zone distributions for payphone access lines contained in Attachment II of Verizon’s Panel Rebuttal Testimony in D.T.E 97-88/97-18, dated October 16, 2001 (Verizon MA Exhibit 47). The attached workpaper cites the source for each of these elements.

### **Local Usage**

Local usage reflects the wholesale combinations of End Office Unbundled Local Switching, Unbundled Local Common Transport, Unbundled Telephone Company Reciprocal Compensation and Common Channel SS7 Signaling charges that would apply for telecommunications carriers use of these facilities for local calling. As shown on the attached workpaper, local calling usage involves calls that may originate and terminate between lines served from a single end office switch (“intraoffice”) or calls that may originate from lines served by an end office switch that terminate to lines served by a different end office switch (“interoffice”).

For intraoffice local usage, originating and terminating Unbundled Local Switching charges would apply, as shown on the attached workpaper. For interoffice local usage, originating Unbundled Local Switching for the originating end office switch, Unbundled Local Common Transport for the transport between end offices and Unbundled Telephone Company Reciprocal Compensation charges for termination of the call to the line being called would apply. In addition, a Common Channel SS7 Signaling Call Set-up Transport charge would apply to interoffice calls. This is a per message charge which has been applied per minute for an average call duration of four minutes. The combination of these charges is displayed on the attached workpaper for interoffice local usage.

Local usage consists of both intraoffice and interoffice calls. Approximately 54% of local usage is intraoffice and 46% is interoffice, as previously explained in Verizon MA's Direct Testimony of Fredrick Miller, filed September 7, 2001 (Verizon MA Exhibit 46). The weighted combination of intraoffice/interoffice local usage is shown on the attached workpaper.

### **Toll Usage**

Toll usage reflects the wholesale combinations of End Office Unbundled Local Switching, Unbundled Toll Common Transport, Unbundled Telephone Company Terminating Switched Access Reciprocal Compensation and Common Channel SS7 Signaling charges that would apply for telecommunications carriers' use of these facilities for toll calling. The combination of these charges is displayed on the attached workpaper for toll usage.

### **Directory Assistance and Operator Services Charges**

Verizon MA has not updated the attached workpapers to include these elements because they were not included in the Company's compliance filings in D.T.E. 01-20, Phase I. The Department's Orders in that proceeding did not address Directory Assistance and Operator Service Charges because those services are not required UNEs under Sections 251 and 252 of the Act and are made available to requesting telecommunications carriers pursuant to negotiated agreements. Accordingly, the attachment contains the TELRIC based rates that were last approved for Verizon MA in the *Consolidated Arbitrations* proceedings in D.P.U./D.T.E. 96-72/73, 96-75, 96-80/81, 96-83, 96-94.

For local Directory Assistance ("DA") with carrier branding, the charge is \$0.308657 per DA request. For Directory Assistance Call Completion, there is an additional charge of \$0.115056, for a total charge of \$0.423713 per DA request. As reflected in the attachment, under the existing retail structure, this incremental charge applies in addition to, rather than in lieu of, the basic DA call charge.

Currently, Verizon MA applies an incremental retail charge to PSPs for both customer dialed, coin sent paid calls and operator assisted, coin sent paid calls. That charge, which is found in D.T.E. Tariff No. 10, Part M, Sec. 1.9, is applicable only to BCAL coin-operated payphone lines.

If TELRIC based charges were applicable for customer dialed coin sent paid calls, a UNE rate of \$0.087881 for Operator Assistance Feature for Automated Coin Toll Service ("ACTS") would apply on a per request basis for the automated deposit

verification and collection functions. Likewise, the ACTS charge would apply for operator dialed, coin sent paid calls because the live operator only assists the customer with dialing while ACTS performs the deposit verification and collection functions.

In addition to the ACTS charge, the following UNE rates would apply for operator dialed, coin sent paid calls. First, the charge for the Operator Assistance Feature for 0-/0+ Live Operator Assistance is \$0.012637 per operator work second. As reflected on the attached workpaper, Verizon MA estimates that a coin sent paid call requires approximately 12.6 operator work seconds. Second, the branding charge of \$0.050629 per call would also be required since the operator service is provided by Verizon. The combination of these three UNE rates is shown on the attached workpaper.